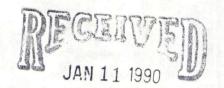


FORM MR-AR (Revised 2/88)

I.



Ul would OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 Telephone: (801) 538-5340

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

	GENE	RAL INFORMATION
	1.	Report Time Period: From (mo./yr.) 1/89 To (mo./yr.) 12/89
	2.	DOGM File Number (original notice): M/003/007 Also reference
	3.	Mine Name: Tug Project E/003/004
	4.	Mineral(s) Mined: <u>Gold</u>
	5.	Name of Operator or Company: WESTERN STATES MINISTRALS
	6.	Permanent Address: 4975 Van Gordon Street
		Wheat Ridge, CO 80033
	7.	Company Representative (or designated operator): Name: Allen S. Gardon
		Title: Manager of Engineering
		Address: Same as Above Phone: (303) 425-7042
		Please check if any of the above information has changed since previous year.
II.	MINI	NG AND RECLAMATION
	1.	Was the mine active during the past year? Yes [] No [Dollars
	2.	If active, how much ore or mineral was mined? NA

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3.	Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, volume of material moved, and the acreage affected.
	Drilled 15 exploration holes using existing roads.
4.	Briefly describe the reclamation work performed during the past year. This description should include acreage reclaimed, methods employed, and an evaluation of the results.
	None
5.	What was the total unreclaimed acreage at years end? 10 (Exploration)
6.	Briefly summarize mining and reclamation planned for the upcoming year.
	We plan to plug all of the drill holes. It is
	our intention to resubmit a Mining and Reclamation
	Plan to D.O.G.M within the next few months in preparation for mine start up this summer
NOTE:	Section III., "Additional Information" applies only to <u>large mining</u> operations.
III. ADD	ITIONAL INFORMATION
1.	An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2.	Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.
IV. SIGN	ATURE REQUIREMENT
I he	reby certify that the foregoing is true and correct.
	Signature of Operator: Allen S. Gordon
	Name (Typed or Print): Follow for Allen S. Gordon
	Title of Operator: Manager of Engineering
	Date: 1-9-90